

## SECOND PHASE OF THE PROGRAM FOR THE ADMINISTRATION OF JUSTICE

(CR-0141)

### EXECUTIVE SUMMARY

<b>Borrower:</b>	Republic of Costa Rica	
<b>Executing agency:</b>	Supreme Court of Justice	
<b>Amount and source:</b>	IDB: (OC)	US\$22.4 million
	Local:	US\$ 9.6 million
	Total:	US\$32 million
<b>Financial terms and conditions:</b>	Amortization period:	25 years
	Grace period:	5 years
	Disbursement period:	5 years
	Interest rate:	variable
	Inspection and supervision:	1 %
	Credit fee:	0.75%
	Currency:	U.S. dollars (Ordinary Capital under the Single Currency Facility)
<b>Objectives:</b>	<p>The main objective of the proposed program is to improve the administration of justice by making it more accessible, equitable, dependable, and efficient. The specific objectives are to help: (i) improve the institutional capacity for developing crime prevention policies and projects; (ii) ensure that the legal rights of the accused are protected; (iii) make prosecutorial activities more reliable and effective; (iv) reduce congestion in the judicial system; and (v) improve the administrative capacity of the judiciary.</p>	
<b>Description:</b>	<p>The proposed program builds on the achievements made during the program's first phase in the area of efficiency in managing judicial offices and cases, which were supported by Bank loan 859/OC-CR. It also introduces new areas in accordance with the stakeholder analysis, updated sector assessments, and public opinion polls conducted. The program is composed of the following five projects: <b>(a) institution-strengthening for the prevention of crime</b>, which includes: (i) developing national policies and strategies for crime prevention; (ii) promoting the use of out-of-court conflict resolution mechanisms;</p>	

and (iii) improving community-police relations; **(b) strengthening the Public Defenders' Office**, which includes: (i) making administrative and functional improvements; and (ii) improving case management; **(c) strengthening the Public Prosecutors' Office**, which includes: (i) strengthening management and strategic planning; (ii) improving the management of judicial offices; (iii) providing victim services; and (iv) strengthening human resources; **(d) judicial efficiency in conflict resolution**, which includes: (i) office management; (ii) procedural reform; (iii) resolving more cases out of court; (iv) improving legal training and the practice of law; and (v) implementing legal and judicial information systems; and **(e) management capacity of the judicial branch**, which includes: (i) reforming the decision-making structure; (ii) reorganizing the managerial system; and (iii) institutionalizing gender policies.

**The Bank's  
country and  
sector strategy:**

The Bank has been supporting the judicial systems of its member countries since 1994. The Report on the Eighth General Increase in Resources of the Bank states that the Bank may work with governments to strengthen and modernize their judicial systems (AB-1704). Furthermore, the Frame of Reference for Bank Action in Programs for Modernization of the State and Strengthening of Civil Society (GN-1883-5, 1996) establishes principles and criteria for such programs. The proposed program is consistent with the Bank's strategy, and will benefit from the experience gained over the past several years as well as execution of the first phase of the program. In addition to loan 859/OC-CR, financing has been provided in Costa Rica to: (i) the Ministry of Justice, for the design of sustainable Houses of Justice models, six of which are currently in operation (ATN/SG-6394-CR), and an action plan for the prevention of violence (ATN/SG-6395-CR); and (ii) the Board of Trade [*Cámara de Comercio*], for the establishment of a center for the arbitration and out-of-court settlement of trade disputes (ATN/MT-5397-CR). In addition, the Program for the Regularization of the Cadastre and Property Registry (1284/OC-CR), with the Ministry of Justice to improve legal certainty, which includes the use alternative methods for resolving conflicts over property rights, is up for approval in the legislature.

**Environmental  
and social  
review:**

By strengthening the judicial system, the program will help improve enforcement of current legislation, which includes environmental law. The works for rehabilitation of facilities to be carried out under the program will be subject to strict compliance with the country's environmental regulations. (paragraph 4.9)

The program will have a positive social impact inasmuch as it will help support national efforts to speed up case processing times and

improve legal services, placing special emphasis on the systemwide implementation of a nondiscriminatory approach and gender (paragraph 4.10).

**Benefits:**

The principal benefit that the program will confer is the opportunity to continue the efforts, thus far successful, to make organizational and managerial changes at the central management level of the judicial branch, as well as in the judicial offices that provide legal services directly to users. The program will help ensure that these efforts are expanded to include not only the courts in additional judicial circuits, but also the offices of public prosecutors and public defenders, in order to ensure effective implementation of the new penal code.

The establishment of a modern organizational framework for the judiciary will help administrative and managerial processes become more effective and efficient. This institutional improvement will enable a foundation to be laid for tackling more complex challenges in the future, such as bringing the modernization and reform efforts to bear upon all of the country's judicial circuits. Under the proposed program, attempts to clear the backlog and prevent congestion in the judicial system will continue, thereby strengthening the judiciary's institutional and technical capacity and preparing the system's various stakeholders for a long-term process of institutional change.

The introduction of modern administrative systems will increase the efficiency and transparency with which the judiciary's resources are used. Relieving Supreme Court justices, judges, and public prosecutors of administrative tasks will allow the former to dedicate more time to strictly jurisdictional duties and the latter, to investigative duties.

The program will help launch an interinstitutional effort within the government to draft public policies and national strategies for the prevention of crime, in the framework of pilot activities in this area. The expansion of services provided by the Victim Services Office will benefit the victims of physical or mental assault.

**Risks:**

The main risk associated with the program has to do with the scope of the proposed amendments and changes, and particularly that of administrative and procedural changes, as these entail changing the well-established practices of the various stakeholders involved in the administration of justice, essentially judges, public prosecutors, high-level officials, and lawyers. This risk is mitigated by the experience gained during the first phase of the program and by the willingness to change demonstrated by the Supreme Court and its members in the

reform process that they have been carrying out, which includes the transformations called for in this operation.

A possible risk associated with project E, Management Capacity of the Judicial Branch, is that an amendment to the Judicial Branch Act may not be passed. However, since its independence is constitutionally guaranteed, the judicial branch has legislative authority in this matter. The risk that the legislature would override a Supreme Court decision is minimized by the fact that, constitutionally, it would need a two-thirds majority to do so.

Another risk is the possibility that judiciary officials and law practitioners may be resistant to the use of computers and the measurement of management and performance with management control tools. This risk will be reduced by applying the lessons learned in this area during the program's first phase, specifically through proper orientation, outreach and management of the process of change both within the judicial branch and beyond, with structured awareness raising activities; training for the system operators as called for under the program; and strengthening for the system's mid- and upper-level offices and agencies, which will lead the process of change.

**Special  
contractual  
clauses:**

Prior to the first disbursement, the executing agency must submit to the Bank's satisfaction: (a) a copy of the agreement entered into by the Ministry of Finance and the Supreme Court, which establishes the both the obligation to transfer the program financing to the Supreme Court on a nonreimbursable basis and the responsibilities of the Court with regard to program execution (paragraph 3.2); (b) the first annual operating plan (paragraph 3.22); (c) records indicating that the Program Monitoring Committee has been established and launched (paragraph 3.6); (d) the resolution establishing the Technical Unit of the Supreme Court's Commission on Gender, according to the terms agreed on with the Bank (paragraph 3.9); and (e) records indicating that the project managers have been appointed according to the terms agreed on with the Bank (paragraph 3.13).

In order for project A to receive financing, the executing agency must submit to the Bank's satisfaction evidence that: (i) the execution agreements with the Ministry of Justice and the Ministry of the Interior, Police, and Security have entered into force (paragraph 3.15); and (ii) the Ministries of Justice and the Interior, Police, and Security have appointed, by mutual agreement, the manager for project A, according to the terms agreed on with the Bank (paragraph 3.15).

For disbursement of the funding earmarked for the consolidation of information systems, the executing agency must submit the following information: (i) for the Costa Rican Legal Information System, evidence that it has entered into an execution agreement with the Public Prosecutor's Office; and (ii) for the Prison Management Information System, evidence that it has entered into an execution agreement with the Ministry of Justice (see paragraph 3.15).

**Poverty-targeting and social sector classification:**

This operation qualifies as a social equity enhancing project, as described in the objectives for Bank activity set forth in the Report on the Eight General Increase in Resources (document AB-1704). It does not qualify as a poverty-targeted investment (PTI).

**Exceptions to Bank policy:**

None.

**Procurement:**

The selection and hiring of consulting services and all the procurement called for under the program will be conducted according to Bank procedures. International competitive bidding will be required for the procurement of goods in amounts above US\$350,000 and contracts for works in amounts above US\$2 million. Procurement in amounts below the aforementioned thresholds will initially be governed by national legislation. In the case of consulting service contracts in amounts over US\$200,000, an international call for proposals will be required.